

Council Business Meeting

August 18, 2020

Agenda Item	Approval of Awarding \$80,000 in Tourism Grants	
From	Adam Hanks	Interim City Administrator
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SUMMARY

Council is being asked to review and approve the allocation of \$80,000 in tourism grants for non-profits as recommended by the Tourism Grant Ad Hoc Committee outlined in Attachment 1.

POLICIES, PLANS & GOALS SUPPORTED

Council Goals

Section 2.B. Develop and/or enhance the following “Value Services” by leveraging the City’s resources – Tier 2: Moderate Priority item b. Economic Development

Section 2.C. Utilize City resources as leverage to develop and/or enhance prioritized Value Services.

ORS 320.350 requires 70 percent of any increased Transient Occupancy Tax revenue generated be committed to tourism promotion.

PREVIOUS COUNCIL ACTION

On [May 19, 2020](#), a modified resolution of TOT funds, Resolution 2020-07 was approved by City Council due to the decrease of Transient Occupancy Tax (TOT) revenues. This resolution removed from funding the previous allocated funds for Economic Development, Cultural and Sustainability parts of these Grants, leaving funding in the Tourism Category only. The remaining amount allocated for tourism grants was revised to a total of \$80,000.

On August 4, 2020, Council confirmed the appointments to the Tourism Grants Ad Hoc Committee to review the 2020-2021 grant applications. The Committee consisted of interested members of the City Council and current and former members of the Citizens’ Budget Committee.

BACKGROUND AND ADDITIONAL INFORMATION

The City of Ashland collects a Transient Occupancy Tax (TOT) from people who stay in overnight lodging within the City limits. Over half (58 percent) of those funds are typically reserved for the City’s General Fund and are used to support Police, Fire, Community Development, and the Municipal Court. Slightly more than a quarter (26.67 percent) of those funds are typically used to support the tourism industry. The tourist funds are either allocated directly to groups that market Ashland to tourists or are spent on capital facilities that enhance the tourism experience within the community. The remaining funds are typically dedicated to the City’s annual grant program. The amounts that go to each of these programs are allocated prior to the beginning of each biennium by Council.

In late April 2020, Council began a discussion about the reduction or modification of funding to the ECTS grants due to the previous mentioned reduction in projected TOT revenues. The discussion focused remaining funding on Tourism per ORS 320.300. Staff were directed to return to Council a modified resolution that outlined what the ECTS program would look like if the program was based on tourism only.

Per Council’s direction, staff focused on reinvesting a portion of the funds generated by the TOT in community nonprofits through an annual grant program. In this original adoption, \$230,000 is allocated to the ECTS grant program. However due to reduced TOT funds in light of the COVID-19 pandemic a modified in Resolution 2020-07 was adopted on May 19, 2020, \$80,000 is allocated to the tourism grant program for 2020-21. This further

confirmed the removal of funding in the amount of \$150,000 to the Economic, Cultural, Suitability portions of the original ECTS grant program.

Through these grants, the City is purchasing specific services from non-profits that it might otherwise provide directly. The grant program typically has four basic goals, but based on the adopted modified resolution, it was only based on:

Tourism. As a long standing pillar of Ashland’s economy, tourism programs support programs, activities and events that act similarly to more traditional traded sector activity in that dollars from outside the community are brought in and circulated locally to the benefit of our local businesses.

Those who previously applied, as well as others interested were notified of updates to the process as outlined in resolution. Once received and reviewed these applications were forwarded to the Tourism Grants Review Ad Hoc Committee. Additional confirmation of committee member appointments was confirmed in resolution August 4, 2020. On August 12, 2020, the Tourism Grants Ad-Hoc Committee met to discuss and recommend the allocations in Attachment 1 for Council approval.

FISCAL IMPACTS

Funding for the grants come from the City’s collection of Transient Occupancy Tax with a portion coming from tourism restricted funds (\$80,000).

STAFF RECOMMENDATION

Staff recommends approval of the resolutions associated and consistent with the recommendations made.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

- 1) I move to approve the allocations recommended by the Tourism Grants Ad Hoc Committee.
- 2) I move to amend the allocations recommended by the Tourism Grants Ad Hoc Committee in the following ways...

REFERENCES & ATTACHMENTS

Attachment 1: Grants Review Ad Hoc Committee Allocation Recommendations

Attachment 2: Resolution No. 2020-07 Allocating Anticipated Transient Occupancy Tax Tourism Restricted Revenues for Fiscal Year 2021 and Repealing [Resolution 2019-17](#)

2020-21 Proposed Tourism Proposed Grant Allocations

ORGANIZATION	PROPOSED TOTAL TOURISM ALLOCATION
Art Now	\$ 1,000
Ashland Art Center	\$ -
Ashland Folk Collective	\$ -
Ashland Gallery Association	\$ 9,000
Ashland New Plays Festival	\$ 4,000
Ashland Schools Foundation	\$ 2,000
Ashland's Bed & Breakfast Network	\$ 9,500
Brava! Opera Theater and James M. Collier Young Artist Program	\$ -
EAA / SOHEVA Chapter	\$ -
Klamath Bird Observatory	\$ 5,000
Lithia Artisans Market of Ashland (LAMA)	\$ 5,500
Post Growth Institute	\$ -
Rogue Valley Farm to School	\$ 5,000
Rogue Valley Food System Network	\$ 2,000
Rogue Valley Mountain Bike Association	\$ 8,000
ScienceWorks Hands-On Museum	\$ 14,000
Southern Oregon Film Society	\$ 12,000
Southern Oregon Repertory Singers	\$ -
Southern Oregon University Foundation on behalf of SMA	\$ 3,000
The Hearth	\$ -

TOTAL \$ 80,000

1 THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

2 SECTION 1.

3 For Fiscal Year 2021, the City of Ashland expects to receive an estimated **\$925,513** for Transient
4 Occupancy Tax collections. The annual allocation between tourism and general governmental
5 operations is as follows:

TOT Anticipated Revenues	% of Total	FY 2020-21
Tourism Restricted (ORS 320)	29%	268,399
General Government Operations	71%	657,114
TOTALS	100%	\$925,513

10 **Tourism Allocation**

11 Tourism restricted funds will be allocated as follows:

Tourism Restricted TOT Allocation	% of Tourism	Originally Adopted 2020-21	Projected 2020-2021
TOTAL Tourism TOT		949,884	268,399
Long Term Parking Supply		245,727	0
FY 2019 Uncommitted Parking Supply (removed commitment)			241,326
FY 2020 Uncommitted Parking Supply (removed commitment)			245,727
Unrestricted Remaining Tourism TOT		704,157	755,452
Visitor & Convention Bureau – Chamber of Commerce	47%	446,338	0
Oregon Shakespeare Festival – (13.5%)	Fixed	110,000	0
City Economic, Cultural, and Sustainability Grants	10%	80,000	0
Public Art	5%	35,208	0
Other City Tourism eligible Capital Projects	Remainder	32,611	0
TOTAL RESTRICTED TOT ALLOCATION		\$704,157	\$755,452

26 If actual tourism specific TOT revenue collections exceed the above allocations or if actual,
27 qualifying expenditures in the year are less than the appropriated amount, the additional or
28 unused amount(s) will be reserved for qualifying future Tourism related expenditures as
29 determined by Council.
30

1 **Non Tourism Allocation**

2 The remaining estimated TOT revenue allocated for general government operations will be 100
3 percent appropriated through the budget process. Unrestricted TOT revenue unspent in a budget
4 year becomes part of the General Fund unrestricted ending fund balance unless otherwise
5 determined by City Council.

6

Unrestricted TOT Allocation	2020-2021
TOTALS	\$657,114

7

8 SECTION 2. Resolution 2019-17 is repealed upon passage of this resolution.

9 SECTION 3. This resolution was duly PASSED and ADOPTED this ___ day of May, 2020 and
10 takes effect upon signing by the Mayor.

11
12 _____
13 Melissa Huhtala, City Recorder

14
15 SIGNED and APPROVED this ___ day of May, 2020.

16
17 _____
18 John Stromberg, Mayor

19 Reviewed as to form:

20
21 _____
22 David Lohman, City Attorney